

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF COLUMBIA)	CASE NO. 94-179-E
GAS OF KENTUCKY, INC.)	

O R D E R

On November 1, 1994, in Case No. 94-179, the Commission approved certain adjusted rates for Columbia Gas of Kentucky, Inc. ("Columbia") and provided for their further adjustment on a quarterly basis in accordance with its gas cost adjustment ("GCA") clause.

On January 31, 1996, Columbia filed its GCA to be effective March 1, 1996 through May 31, 1996.

After reviewing the record and being otherwise sufficiently advised, the Commission finds that:

1. Columbia's notice proposed revised rates designed to pass on its expected wholesale increase in gas costs. Columbia's proposed expected gas cost ("EGC") for the quarter beginning March 1, 1996 is \$3.9408.

2. Columbia's notice set out a rate for Banking and Balancing Service of 2.93 cents per Mcf.

3. Columbia's notice set out a take-or-pay refund adjustment of 12.25 cents per Mcf.

4. Columbia's notice set out a transportation take-or-pay refund adjustment of 4.36 cents per Mcf. Columbia's proposed tariff sheets inadvertently reflected this adjustment for IS Rate Schedule Delivery Service only. The refund adjustment should also be applied to Rate Schedule GSO Delivery Service.

5. Columbia's notice set out its approved actual cost adjustment ("ACA") of (63.30) cents per Mcf.

6. Columbia's notice set out a balancing adjustment ("BA") of 2.97 cents per Mcf.

7. Columbia's notice contained a current refund adjustment of 7.15 cents per Mcf to return supplier refunds of \$1,298,560, including interest, to its customers. The total refund adjustment of 13.71 cents per Mcf reflects the current, as well as previous, quarter refund adjustments.

8. Columbia's notice set out a Special Agency Service refund adjustment of .05 cent per Mcf.

9. These adjustments produce a gas cost recovery rate ("GCR") of \$3.0774, 29.34 cents per Mcf more than the prior rate.

10. The revised rate adjustments in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for gas supplied on and after March 1, 1996.

IT IS THEREFORE ORDERED that:

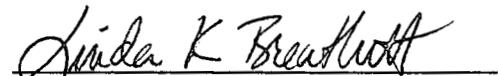
1. The Rate Schedule GSO Delivery Service rates which do not reflect the transportation take-or-pay refund adjustment should be denied.


2. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for gas supplied on and after March 1, 1996.

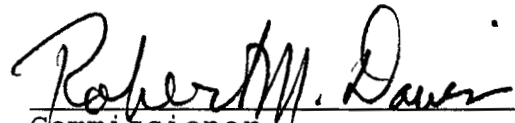
3. Within 30 days of the date of this Order, Columbia shall file with this Commission its revised tariffs setting out the rates authorized in this Order.

Done at Frankfort, Kentucky, this 29th day of February, 1996.


PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 94-179-E DATED FEBRUARY 29, 1996

The following rates and charges are prescribed for the customers in the area served by Columbia Gas of Kentucky, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

CURRENTLY EFFECTIVE BILLING RATES

	Base Rate <u>Charge</u>	Gas Cost <u>Demand</u>	Adjustment <u>Commodity</u>	Total Billing <u>Rate</u>
<u>SCHEDULE GSR</u>				
First 1 Mcf or less per mo.	\$ 8.10	\$ 1.6765	\$ 1.4009	\$11.1774
Over 1 Mcf per mo.	2.0899	1.6765	1.4009	5.1673
<u>RATE SCHEDULE GSO</u>				
Commercial or Industrial				
First 1 Mcf or less	22.00	1.6765	1.4009	25.0774
Next 49 Mcf per mo.	2.0899	1.6765	1.4009	5.1673
Next 350 Mcf per mo.	2.0248	1.6765	1.4009	5.1022
Next 600 Mcf per mo.	1.9248	1.6765	1.4009	5.0022
Over 1,000 Mcf per mo.	1.7508	1.6765	1.4009	4.8282
<u>Delivery Service</u>				
Administrative Charge	65.00			65.00
<u>Standby Service Demand Charge</u>				
Demand Charge times Daily Firm Vol. (Mcf) in Cust. Serv. Agrmt.		10.7694		10.7694
<u>Delivery Rate Per Mcf</u>				
First 400 Mcf per mo.	2.0248	(.0436)		1.9812
Next 600 Mcf per mo.	1.9248	(.0436)		1.8812
Over 1,000 Mcf per mo.	1.7508	(.0436)		1.7072
Former IN8 Rate per Mcf	1.0124			1.0124
Banking & Balancing Service		0.0293		0.0293

	<u>Base Rate Charge</u>	<u>Gas Cost Demand</u>	<u>Adjustment Commodity</u>	<u>Total Billing Rate</u>
<u>RATE SCHEDULE IS</u>				
<u>Customer Charge per mo.</u>	\$135.79			\$135.79
First 30,000 Mcf	0.6288		\$1.4009*	2.0297
Over 30,000 Mcf	0.3341		1.4009*	1.7350

Standby Service Demand Charge

Demand Charge times Daily
Firm Vol. (Mcf) in Cust.
Serv. Agree.

10.7694 10.7694

Delivery Service

Administrative Charge	65.00			65.00
First 30,000 Mcf	0.6288	(.0436)		0.5852
Over 30,000 Mcf	0.3341	(.0436)		0.2905
Banking & Balancing Service		0.0293		0.0293

RATE SCHEDULE IUS

For all Volumes Delivered
Each Month

.2912 1.6765 1.4009 3.3686

Delivery Service

Administrative Charge	65.00			65.00
Delivery Rate Per Mcf	.2912	1.6765		1.9677
Banking & Balancing Service		0.0293		0.0293

Mainline Delivery Service

Administrative Charge	65.00			65.00
Delivery Rate Per Mcf	0.1000			0.1000
Banking & Balancing Service		0.0293		0.0293

RATE SCHEDULE IN6 - INDUSTRIAL AND COMMERCIAL

Commodity Charge	1.7363	1.6765	1.4009	4.8137
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RATE SCHEDULE IN7 - SMALL COMMERCIAL

Commodity Charge	.5924	1.6765	1.4009	3.6698
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*IS customers may be subject to the demand gas cost, under the conditions set forth on Sheets 14 and 15 of this tariff.